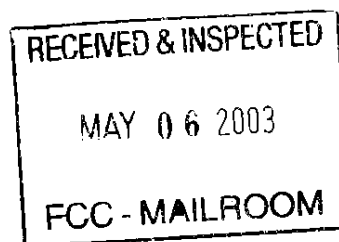


ATLANTIC Digital

DOCKET FILE COPY ORIGINAL

P.O. Box 2138
Ann Arbor, MI 48106-2138
(734) 935-8989
(800) 938-11NE (5463)
FAX (734) 935-8307



April 30, 2003

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Docket Nos. 96-45 and 97-21
Re: Filer 499 ID 819248

Dear Sir/Madam:

This letter is in response to the letter we received from USAC on March 7, 2003, denying our appeal to waive the penalty of \$240.00 for not filing the 499 forms that were due on February 1, 2002 and April 1, 2002, and the late payment fee for not paying the penalty. In this letter, USAC stated that our basis for this request was the fact that we historically filed the forms on a timely basis. We believe this penalty should be waived because of the following facts:

We did not see anywhere in the documents that came with the 499 forms that there would be a penalty of \$100 for not filing the form until the instructions we received for the filing that was due on August 1, 2002. Here, the instructions stated that USAC may issue late filing penalties to forms received after the due date. Prior to that, the instruction did not mention anything about a penalty (copies attached). The instructions also did not indicate that there would be a late payment penalty of \$10.00 per month. We believe that USAC has a responsibility of notifying us about the penalty through the 499 form instructions that they sent to us before they can impose any penalty on us.

The instructions prior to April 3, 2002 stated that 'the form must be submitted to the Data Collection Agency by the due date' then it was changed to 'the form must be received by the agent by the due date'. We believe that we have sent the forms by the due dates.

We also believe that it is not appropriate to add this penalty to our contribution base. As a result, the USAC is making us to pay the penalty and also the contribution on this penalty.

We also believe that the Federal Communications Commission should take into consideration that we are a small company with limited personnel trying to stay in business in this difficult time. We have always filed and paid the fees on a timely basis. Now USAC has made everything so easier through electronic filing program with instant confirmation on the filing. We are using this electronic filing program and we will always file and pay the invoices on time in the future so that nobody has to deal with late filing and payment penalties.

Based on the above facts, we respectfully request Federal Communications Commission to waive this penalty and credit our account with \$240.00. We sincerely request your prompt attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Indira Rabindranathan".

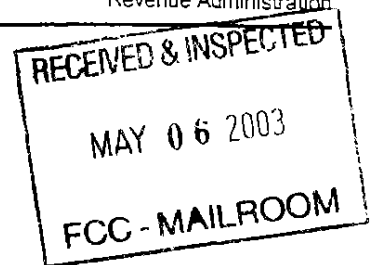
Indira Rabindranathan
Controller

No. of Copies rec'd 0
Lit. ABOVE

March 6, 2002

TO: All Telecommunications Service Providers

RE: FCC FORM 499-A, Telecommunications Reporting Worksheet
Due April 1, 2002



The Federal Communications Commission (FCC) has announced the release of the April 1, 2002 Telecommunications Reporting Worksheet (FCC Form 499-A). **This form must be submitted to the Data Collection Agent by April 1, 2002.**

All telecommunications service providers, including Universal Service Fund *de minimis* exempt companies, are required to complete the Form 499-A and report **billed revenue data for the period January 1, 2001 through December 31, 2001**. To streamline your reporting requirements and to provide greater efficiency, the twelve-month 2001 revenue data will be used to calculate the following¹:

- Local Number Portability (LNP) Fund contributions for July 2002 – June 2003
- North American Numbering Plan (NANP) Fund contributions for July 2002 – June 2003
- Telecommunications Relay Services (TRS) Fund contributions for July 2002 – June 2003
- Federal Universal Service Fund (USF) true-up of the previously filed May 11, 2001, August 1, 2001, November 1, 2001 and February 1, 2002 quarterly FCC Form 499-Q submissions

It is critical that you **review the attached instructions prior to completing the form**. The FCC has made **significant changes in the format and content of customer information reported**. Please see the document enclosed, "General & Revenue Helpful Hints," for more details.

The completed FCC Form 499-A is due April 1, 2002, and should be mailed to:

**Form 499 Data Collection Agent
Attn: Lori Terraciano
80 South Jefferson Road
Whippany, NJ 07981**

Additional information regarding this filing requirement may be obtained from the FCC's website (www.fcc.gov), USAC's website (www.universalservice.org), through E-Mail at Form499@neca.org or by calling the Telecommunications Reporting Worksheet Helpline at (973) 560-4460.

¹ Please review Figure 3 of the Telecommunications Reporting Worksheet Instructions for a summary of which telecommunications providers are required to contribute to the various support mechanisms. Note that some entities filing the Form 499-A will not be required to contribute to each of the support and cost recovery mechanisms.



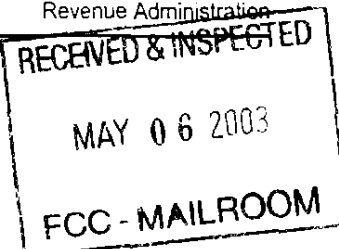
Universal Service Administrative Company

Lisa I. Tubbs
Manager-
Revenue Administration

April 3, 2002

TO: All Telecommunications Service Providers

RE: FCC FORM 499-Q, DUE MAY 1, 2002



The FCC released an order on March 14, 2001 modifying the universal service fund (USF) contribution methodology to reduce the interval between the accrual of revenues and the assessment of universal service contributions based on those revenues. The order requires that in addition to the annual FCC Form 499-A due each April, four quarterly FCC Form 499-Q worksheets will be filed throughout the year. Form due dates, revenue data reported and invoicing time period are summarized below:

FCC Form 499-Q Due Date:	Revenue Reported on Form:	Utilized for USF invoicing:
May 1, 2002	1Q: January - March 2002	July - September 2002
August 1, 2002	2Q: April - June 2002	October - December 2002
November 1, 2002	3Q: July - September 2002	January - March 2003
February 1, 2003	4Q: October - December 2002	April - June 2003
April 1, 2003	Annual: January - December 2002	July 2003 True-up

Telecommunications providers qualifying for the USF De Minimis Exemption (using the process outlined on page 5 of the Form 499-Q instructions) do not need to complete the enclosed FCC Form 499-Q. However, if you do not qualify for the de minimis exemption and are therefore a USF contributor, the Form 499-Q reporting **January - March 2002 revenue** must be received by the Data Collection Agent by **Wednesday, May 1, 2002**.

It is critical that you review the attached instructions prior to completing this form. The FCC has made a significant change that allows certain companies that qualify to file "summary" worksheets for more than one legal entity. Please review Pages 6 and 7 of the worksheet instructions to see if this applies to your company.

The completed FCC Form 499-Q due May 1, 2002 should be mailed to:

Form 499 Data Collection Agent
Attn: Lori Terraciano
80 South Jefferson Road
Whippany, NJ 07981

Additional information regarding this filing requirement may be obtained from the FCC's web site (www.fcc.gov), USAC's web site (www.universalservice.org), through E-Mail at Form499@neca.org or by calling the Telecommunications Reporting Worksheet Helpline at (973) 560-4460.

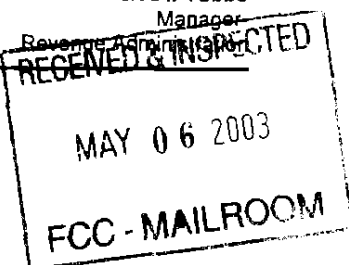


Universal Service Administrative Company

Lisa I. Tubbs

Manager

Revenue Administration



June 27, 2002

TO: All Telecommunications Service Providers

RE: FCC FORM 499-Q, DUE AUGUST 1, 2002

The FCC released an order on March 14, 2001 requiring that in addition to the annual FCC Form 499-A due each April, four quarterly FCC Form 499-Q worksheets will be filed throughout the year. Form due dates, revenue data reported and invoicing time period are summarized below:

FCC Form 499-Q Due Date:	Revenue Reported on Form:	Utilized for USF invoicing:
May 1, 2002	1Q: January – March 2002	July – September 2002
<u>August 1, 2002</u>	2Q: April – June 2002	October – December 2002
November 1, 2002	3Q: July – September 2002	January – March 2003
February 1, 2003	4Q: October – December 2002	April – June 2003
April 1, 2003	Annual: January – December 2002	July 2003 True-up

De Minimis Companies: Telecommunications providers qualifying for the USF De Minimis Exemption (using the process outlined on page 5 of the Form 499-Q instructions) do not need to complete the enclosed FCC Form 499-Q, however an annual 499-A form is required (the next 499-A due date is April 1, 2003).

USF Contributor Companies: If you do not qualify for the de minimis exemption and are therefore a USF contributor, the Form 499-Q reporting **April - June 2002 revenue** must be received by the Data Collection Agent by **Thursday, August 1, 2002**. USAC may issue late filing penalties to forms received after this due date.

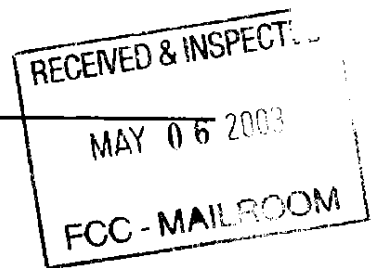
The completed FCC Form 499-Q due August 1, 2002 should be mailed to:

Form 499 Data Collection Agent
Attn: Christy Doleshal
80 South Jefferson Road
Whippany, NJ 07981

Additional information about this filing requirement, including an Excel and .pdf version of the Form 499-Q worksheet, may be obtained from the FCC's web site (www.fcc.gov), USAC's web site (www.universalservice.org), through E-Mail at Form499@neca.org or by calling the Telecommunications Reporting Worksheet Helpline at (973) 560-4460.



Universal Service Administrative Company



Administrator's Decision on Contributor Appeal

March 7, 2003

VIA FEDERAL EXPRESS

Indira Rabindranathan
Atlantic Digital, Inc.
1241 South Maple Road
Ann Arbor, MI 48103

Re: Atlantic Digital, Inc.
(ID #819248)

Dear Ms. Rabindranathan:

After thorough review, the Universal Service Administrative Company (USAC or Administrator) has completed its evaluation of the Letter of Appeal on behalf of Atlantic Digital, Inc. (Atlantic Digital) dated December 20, 2002 (Appeal). Your Appeal requests that USAC waive two late filing fees and associated late payment fees.

Background:

Atlantic Digital has requested that USAC waive late filing fees and associated late payment fees subsequently assessed due to Atlantic Digital's failure to pay its balance in full. The late filing fees in the amount of \$100.00 were assessed due to the late filing of two revenue reporting forms for a total of \$200.00. The associated late payment fees referenced in Atlantic Digital's Appeal were in the amount of \$20.03. At the time of this Decision Atlantic Digital has not paid the late filing fees and late payment fees continue to accrue.

The late filing fees were assessed Atlantic Digital due to its late filing of the Federal Communications Commission (FCC) Form 499-Q (Form 499-Q) reporting October, November, and December 2001 revenue and the FCC Form 499-A (Form 499-A) reporting 2001 revenue, (collectively, Forms 499 or Telecommunications Reporting

Worksheets). The Form 499-Q due on February 1, 2002 was not received by USAC until February 12, 2002, after the filing due date. The Form 499-A due on April 1, 2002 was not received by USAC until April 12, 2002. Because each of the Forms 499 was received after the filing date, late filing fees in the amount of \$100.00 per form were applied to Atlantic Digital's April and July 2002 invoices for a total of \$200.00. USAC's records indicate that Atlantic Digital has not paid either late filing fee and continues to make payments to its account, less the amount of the late filing fees and any late payment fees. Because Atlantic Digital's account maintains an unpaid balance USAC continues to assess the account with late payment fees.

Discussion:

Atlantic Digital requests that USAC waive the late filing fees and late payment fees because it has historically filed required Forms 499 on a timely basis. It is USAC policy to assess a late filing fee when a contributor files a Telecommunications Reporting Worksheet after the due date. In instances when a contributor does not timely file its Telecommunications Reporting Worksheet, USAC incurs, among other administrative costs, the cost associated with preparing an estimate of the contributor's universal service obligation and, upon receipt of the revenue numbers provided by the contributor, the cost associated with recalculation of the estimated obligation. According to FCC Regulations, universal service contributions are calculated and filed in accordance with the Universal Service Worksheet. *See* 47 C.F.R. § 54.711(a). The Administrator may bill a contributor a separate assessment for reasonable costs incurred because of that contributor's filing of an untruthful or inaccurate Telecommunications Reporting Worksheet, failure to file the Telecommunications Reporting Worksheet or late payment of contributions. *See* 47 C.F.R. § 54.713.

As provided in the FCC's *Quarterly Reporting Order*,¹ the Form 499-Q reporting October, November, and December 2001 revenue had a due date of February 1, 2002. The FCC Form 499-A reporting 2001 revenue had a due date of April 1, 2002. The filing dates are provided in the instructions that accompany the Forms 499 and directly on the Forms 499. In addition, information concerning the deadline is posted on USAC's website: www.universalservice.org.

Atlantic Digital's Appeal must be denied. Because Atlantic Digital filed its Forms 499 after the due dates, USAC assessed Atlantic Digital's account late filing fees in the amount of \$100.00 per form. USAC records indicate that Atlantic Digital's responsibility concerning payment of the late filing fees was discussed with Atlantic Digital employees on more than one occasion. Further, USAC records indicate that on several occasions Atlantic Digital was advised that the consequence of not paying late filing fees would be that late payment fees would continue to be assessed until the account was paid in full.

¹ *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order and Order on Reconsideration, 16 FCC Rcd 5748 (rel. Mar. 14, 2001) (*Quarterly Reporting Order*).

Indira Rabindranathan
Atlantic Digital, Inc.
March 7, 2003
Page 3

Decision on Appeal: Denied.

USAC hereby denies Atlantic Digital's Appeal.

If you disagree with the USAC response to your Letter of Appeal, you may file an appeal with the Federal Communications Commission (FCC) (*See* 47 C.F.R. § 54.711(a)) within 60 days of the date of this letter. The FCC address where you may direct your appeal is:

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Please be sure to indicate the following information on all communications with the FCC:
"Docket Nos. 96-45 and 97-21."

Sincerely,

USAC

Universal Service Administrative Company

cc: Anita Cheng, FCC Common Carrier Bureau
James Shook, FCC Enforcement Bureau